

**Introduced by Senator Florez**

February 22, 2005

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An act to add Article 1.5 (commencing with Section 865) to Chapter 7 of Division 1 of the Financial Code, relating to banks.

## LEGISLATIVE COUNSEL'S DIGEST

SB 778, as introduced, Florez. Banks: cashing of paychecks.

Existing law provides for the regulation of banks by the Commissioner of Financial Institutions, including regulation of federally chartered banks to the extent consistent with federal law. Existing law imposes various requirements on banks with regard to deposits, checks, and investments.

This bill would prohibit a bank from assessing a charge or fee to cash a paycheck for a person who does not have an account at the bank if the paycheck was issued by the bank for a business client of the bank that provides the paychecks to its employees.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Article 1.5 (commencing with Section 865) is  
2 added to Chapter 7 of Division 1 of the Financial Code, to read:

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Article 1.5. Paycheck Charges

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865. A bank shall not assess any charge or fee to cash a  
paycheck for a person who does not have an account at the bank  
if the paycheck was issued by the bank for a business client of

- 1 the bank that provides the paychecks to the employees of the
- 2 business client.

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